

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 46 - HB 319

March 27, 2021

**SUMMARY OF ORIGINAL BILL:** Extends the termination date of the Consumer Advocate Division in the Office of the Attorney General and Reporter (AG) to June 30, 2023. Under the *Tennessee Governmental Entity Review Law*, the Division is scheduled to terminate June 30, 2021.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (006149):** Deletes all language after the enacting clause. Terminates the Consumer Advocate Division (CAD) within the Office of the Attorney General and Reporter (AG). Creates the Consumer Services Division (CSD) within the Tennessee Public Utility Commission (TPUC) and adds the CSD to the *Tennessee Governmental Entity Review Law* with an initial termination date of June 20, 2023.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures –**

Exceeds \$868,400/FY21-22 and Subsequent Years/  
Tennessee Public Utility Commission

**Decrease State Expenditures –**

Exceeds \$868,400/FY21-22 and Subsequent Years/  
Attorney General

**Other Fiscal Impact –** The Tennessee Public Utility Commission is a self-funded entity. To the extent fees cannot be increased to cover the required expenditures, funding from the General Fund will be necessary; however, the extent of such funding cannot be determined.

Assumptions for the bill as amended:

- The proposed legislation is effective June 30, 2021.
- According to the AG, the CAD's expenditures were \$923,500 in FY18-19 and \$868,400 in FY19-20. The CAD is funded through the General Fund.

- There are currently six positions within the CAD.
- The proposed language will result in a recurring decrease in state expenditures of at least \$868,400 for the AG in FY21-22 and subsequent years.
- TPUC is a self-funded entity which does not receive funding from the General Fund, but through inspection fees assessed public utilities under its jurisdiction.
- It is reasonably assumed that TPUC will require additional staff and resources comparable to current CAD staff and resource levels; therefore, the proposed language will result in a recurring increase in state expenditures of at least \$868,400 to TPUC in FY21-22 and subsequent years.
- TPUC will have to increase fees assessed public utilities to fund the new positions. Until such revenue is amassed, funds from the General Fund will be needed to fund such positions. The extent of General Funds required to fund such positions cannot reasonably be determined.
- The Comptroller of the Treasury will conduct a limited program review audit of the CSD, pursuant to Tenn. Code Ann. § 4-29-111(b), utilizing existing staff and resources; therefore, any fiscal impact to state government for such review is considered not significant.

#### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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